

Starbucks & Verizon

EXCLUSIVE NET-LEASE OFFERING

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Aerial Video



OFFERING MEMORANDUM

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1932 Commerce Street, Yorktown Heights, NY 10598

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1932 Commerce Street, Yorktown Heights, NY 10598

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INVESTMENT SUMMARY



Marcus & Millichap is pleased to present the exclusive listing for a Starbucks & Verizon property located at 1932 Commerce Street in Yorktown Heights, New York. Yorktown Heights is located in Westchester County, 35 miles from New York City. This property consists of 2,296 square feet of building space and is situated on roughly 0.20 acres of land. Starbucks currently occupies 1,296 square feet in the front of the building. Verizon currently occupies 1,000 square feet in the back of the building. This location serves as a hub for Verizon's telephone switch center, which services the surrounding 13-mile radius. Verizon leases the entire basement which houses the switch equipment. The Landlord is currently responsible for the repair and replacement of the roof and structure. Additionally, the Landlord is responsible for the maintenance of the sidewalks, parking lots, and landscaping, however these expenses are reimbursed by both tenants. The subject property benefits from its strategic location in a dense retail corridor located in the heart of downtown Yorktown Heights. Major surrounding tenants include: CVS, ACME, Kmart, T.J. Maxx, Taco Bell, Burger King, Subway, Chase Bank, Panera Bread, Wells Fargo Bank and many more. There are five schools located within four miles from the subject property and has a combined total enrollment of over 3,500 students. Hudson Valley Hospital is located within six miles from the subject property. Hudson Valley Hospital is a 128-bed facility.

Starbucks

This property was previously operated as a coffee shop with a local owner until July 1st, 1999, when Starbucks bought the business. Starbucks originally signed a lease with an initial term of 10 years, with two, five year option periods. At the commencement of the original lease, Starbucks also reserved the right to lease the 1,000 square feet that Verizon occupies, should Verizon ever leave the space. In 2004, Starbucks expanded the building by an additional 296 square feet, increasing their space to 1,296 square feet. In 2014, Starbucks extended the initial term of the lease by ten years, as well as added four, five year option periods. The rent is subject to a 10% rental increase every five years. The next rental increase is due on March 1st, 2020. There are currently seven years remaining in the initial term of the lease. Starbucks reserves the right to terminate the lease.

Verizon

Verizon currently occupies the rear portion of the building and the basement, which serves as a hub for Verizon's telephone switch center. The connections at this hub provide telephone and internet services to the surrounding 13-mile radius. This location has been tenanted by a telephone company since 1929, when it was originally used as a location for consumers to pay their telephone bill. In 1949, the phone company added the original switch center equipment. The current lease in place was originally dated March 3, 1987, the tenant was The New York Telephone Company. In 2002, the lease was assumed by Verizon and the initial term of the lease was extended to a ten year term, with two, five year options. The initial term was then extended by an additional five years in 2016, extending the initial term to 4/14/2022.



Investment Highlights

PRICE: \$2,051,271 | CAP: 5.35% | NOI: \$109,743

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Property Description

Property	Starbucks & Verizon Wireless
Property Address	1932 Commerce Street
City, State, ZIP	Yorktown Heights, NY 10598
Total Building Size	2,296
Starbucks Square Footage	1,296
Verizon Square Footage	1,000
Lot Size	+/- 0.2 Acres
Lease Type	Double Net
Type of Ownership	Fee Simple



Starbucks Overview

- ✓ **Long Term Site History**- Starbucks has been at this location since 1999. This site was an local coffee shop prior to Starbucks.
- ✓ **Site Expansion**- Starbucks added an additional 296 square feet to the building in 2004. Starbucks also reserves the right to lease the space that Verizon currently occupies, should Verizon vacate. The rental rate for the additional square footage will be equivalent to the rent per square foot that Starbucks is currently paying.
- ✓ **Lease Extension**- Starbucks extended their lease in 2014.

Verizon Overview

- ✓ **Long Term Site History**- This location has been occupied by a telephone company since the 1929. The current lease has been in place since 1987, the original tenant was the New York Telephone Company.
- ✓ **Lease Extension**- Verizon assumed the lease in 2002 and have since then extended the lease

Compelling Location Fundamentals

- ✓ **High Barriers to Entry**- This property is located directly in the heart the Town of Yorktown Heights
- ✓ **High Foot Traffic**- The property is adjacent to an 50,000 square foot office building, with tenants such as opticians, ophthalmology, and Yorktown Imaging, a division of Northern Westchester Hospital





Financial Analysis - Starbucks

PRICE: \$2,051,271 | CAP: 5.35% | NOI: \$109,743

verizon



Property Description

Property	Starbucks & Verizon Wireless
Property Address	1932 Commerce Street
City, State, ZIP	Yorktown Heights, NY 10598
Building Size	2,296
Starbucks Sqft	1,296
Lot Size	+/- 0.2 Acres
Type of Ownership	Fee Simple

Starbucks Lease Summary

Tenant / Guarantor	Starbucks Corporation
Ownership Type	Corporate
Original Lease Term	10 Years
Lease Commencement	7/1/1999
Lease Expiration	2/28/2025
Lease Term Remaining	7 Years
Lease Type	Double Net (NN)
Roof & Structure	Landlord Responsible
Rental Increases	10% Every 5-Years
Next Rent Increase	3/1/2020
Options to Renew	Four, Five-Year Options

Starbucks Rent Schedule

Lease Year(s)	Annual Rent	Monthly Rent
Current - 2/28/2020	\$54,743	\$4,561
3/1/2020 - 2/28/2025	\$60,212	\$5,017
<i>Option Periods</i>		
3/1/2025 - 2/28/2030	\$66,238	\$5,519
3/1/2030 - 2/28/2035	\$72,861	\$6,071
3/1/2035 - 2/28/2040	\$80,144	\$6,678
3/1/2040 - 2/28/2045	\$88,166	\$7,347





Financial Analysis - Verizon

PRICE: \$2,051,271 | CAP: 5.35% | NOI: \$109,743

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Property Description

Property	Starbucks & Verizon Wireless
Property Address	1932 Commerce Street
City, State, ZIP	Yorktown Heights, NY 10598
Building Size	2,296
Starbucks Sqft	1,000
Lot Size	+/- 0.2 Acres
Type of Ownership	Fee Simple

Verizon Lease Summary

Tenant / Guarantor	Verizon New York Inc
Ownership Type	Corporate
Lease Commencement	4/15/1987
Lease Expiration	4/14/2022
Lease Term Remaining	4 Years
Lease Type	Double Net (NN)
Roof & Structure	Landlord Responsible
Options to Renew	Two, Five-Year Options

Verizon Rent Schedule

Lease Year(s)	Annual Rent	Monthly Rent
4/15/2017- 4/14/2022	\$55,000	\$4,561
Option Periods		
4/15/2022- 4/14/2027	\$55,000	\$4,561
4/15/2027-4/14/2032	\$55,000	\$4,561



Tenant Overview

About Starbucks

Nasdaq GS: SBUX

S&P Rating: A- / Stable

Every day, the Starbucks family is hoping to do two things: share great coffee with their friends and help make the world a little better. It was true when the first Starbucks opened in 1971, and it's just as true today.

Back then, the company was a single store in Seattle's historic Pike Place Market. From just a narrow storefront, Starbucks offered some of the world's finest fresh-roasted whole bean coffees. Today, Starbucks is connect with millions of customers every day with exceptional products and more than 24,000 retail stores in 70 countries.

ABOUT STARBUCKS

Starbucks wants their customers to feel a sense of belonging, their stores have become a haven, a break from the worries outside, a place where a person can meet with friends. It's about enjoyment at the speed of life—sometimes slow and savored, sometimes faster. Always full of humanity.

RECOGNITION

Starbucks has been awarded "One of the Most Admired Companies in America," by Fortune for twelve years running. Ethisphere has also awarded the company as amongst the "World's Most Ethical Companies" for eight years in a row. Starbucks has even been recognized in China and Canada for being considered to be "One of the Best Companies to Work For." in 2014.



STARBUCKS



General Information

Founded	1971
Website	www.starbucks.com
Number of Locations	+/- 27,500 Globally



Tenant Overview

About Verizon

NYSE: VZ
S&P Rating: A-2
Annual Revenue: \$126 Billion
Dividends: \$9.3 Billion Paid in 2016
Fortune 500 Rank: 14
Employees: 163,400

Verizon Wireless is an American telecommunications company, a wholly owned subsidiary of Verizon Communications, which offers wireless products and services. With 146 million subscribers as of April 2017, Verizon Wireless is the largest wireless telecommunications provider in the United States. The company is headquartered in Basking Ridge, New Jersey. It was founded in 2000 as a joint venture of American telecommunications firm Bell Atlantic, which would soon become Verizon Communications, and British multinational telecommunications company Vodafone. Verizon Communications became sole owner in 2014 by buying Vodafone's 45-percent stake in the company.

It operates a national 5G LTE network covering about 98 percent of the U.S. population, which in December 2015 won for top honors in each category of the RootMetrics RootScore Reports. Verizon Wireless offers mobile phone services through a variety of devices. Its LTE in Rural America Program, with 21 rural wireless carriers participating, covers 2.7 million potential users in 169 rural counties.

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General Information

Founded	2000
Website	www.verizonwireless.com
Number of Locations	+/- 2,300





Property Photos

Property Address: 1932 Commerce Street, Yorktown Heights, New York

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Surrounding Area Photos

Property Address: 1932 Commerce Street, Yorktown Heights, New York

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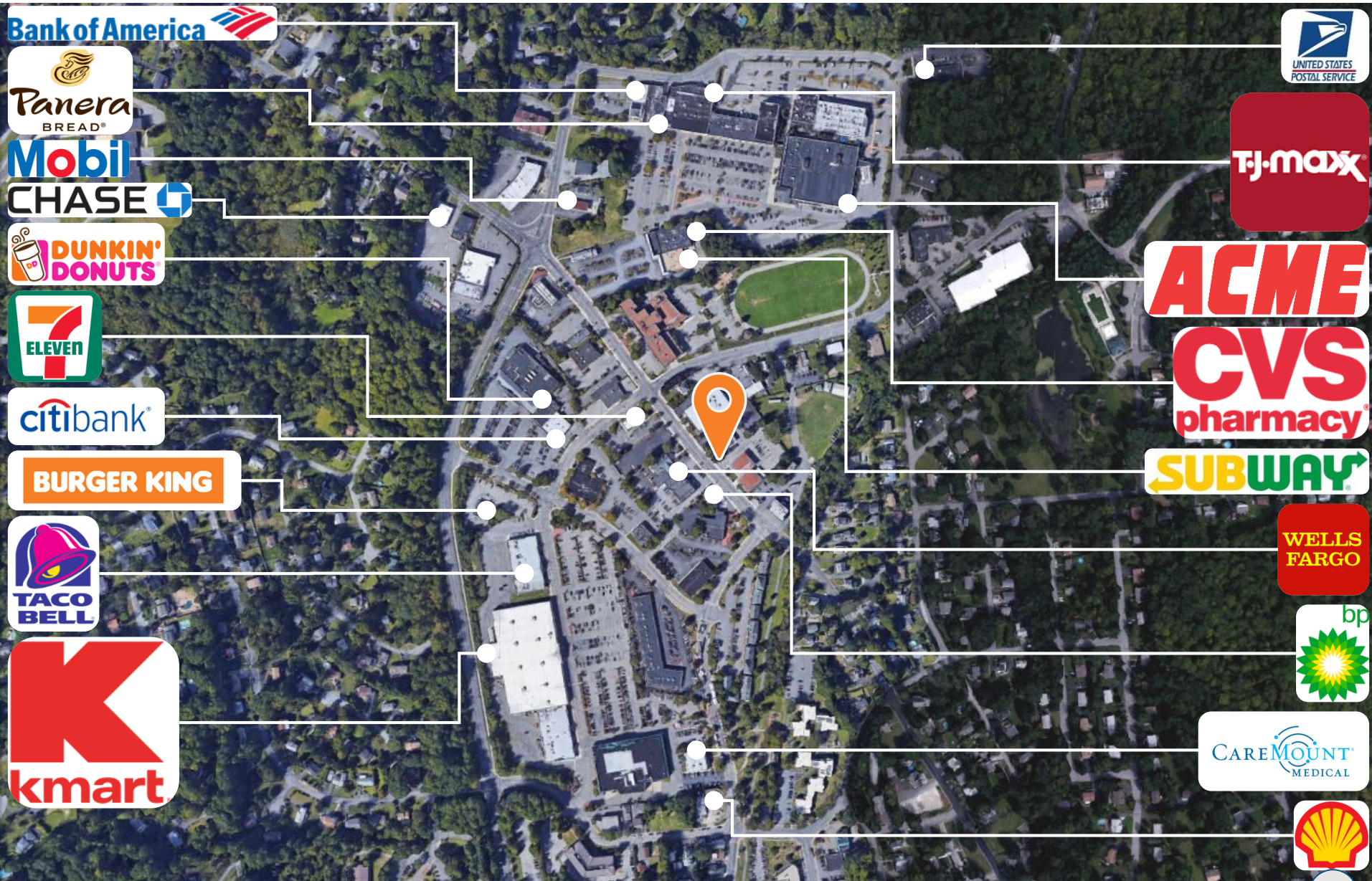




Surrounding Area

Property Address: 1932 Commerce Street, Yorktown Heights, New York

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Location Overview

Property Address: 1932 Commerce Street, Yorktown Heights, New York

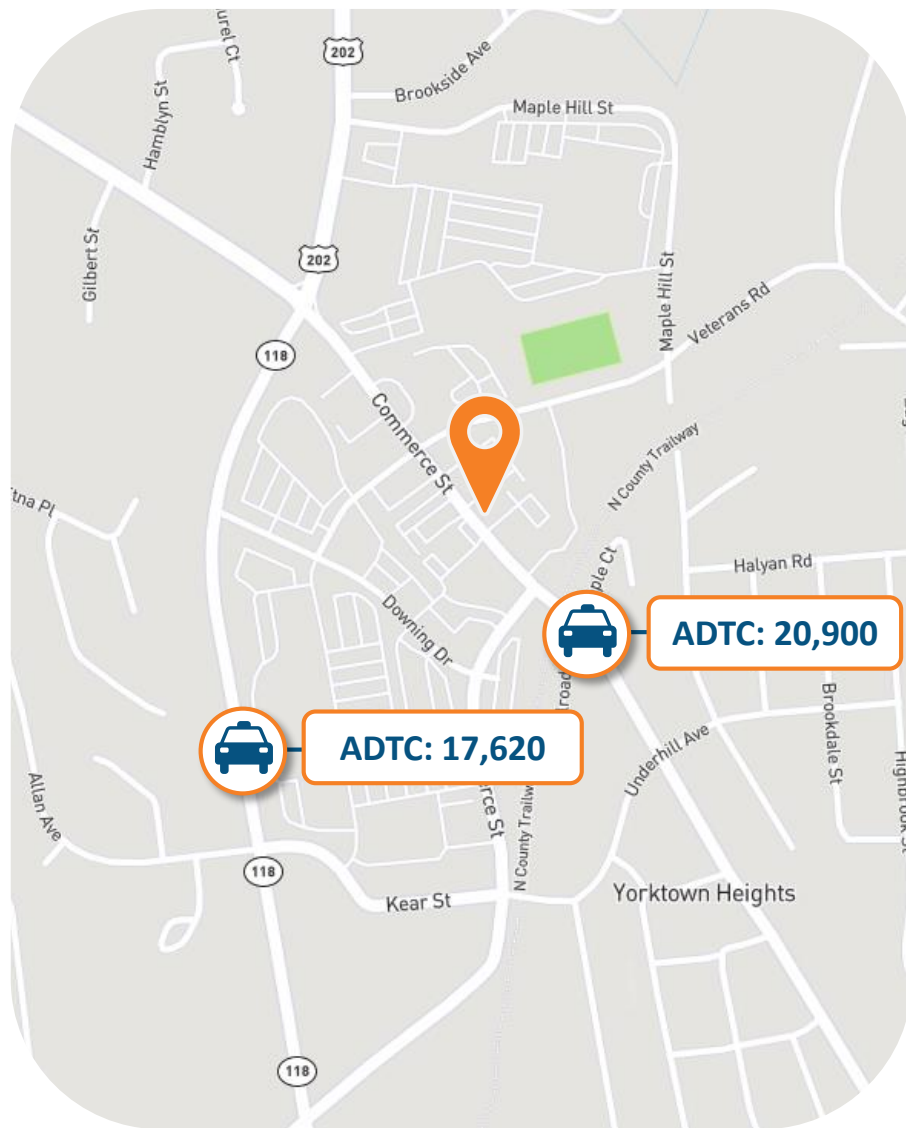


This property is located at 1932 Commerce Street in Yorktown Heights, New York. The Town of Yorktown is a community in Westchester County, 35 miles from New York City.

The subject property benefits from its strategic location in a dense retail corridor located in the heart of downtown Yorktown Heights. Major surrounding tenants include: CVS, ACME, Kmart, T.J. Maxx, Taco Bell, Burger King, Subway, Chase Bank, Panera Bread, Wells Fargo Bank and many more. There are five schools located within four miles from the subject property and has a combined total enrollment of over 3,500 students. Hudson Valley Hospital is located within six miles from the subject property. Hudson Valley Hospital is a 128-bed facility.

There are approximately 23,201 individuals residing within a three-mile radius of the subject property and nearly 61,000 individuals within a five-mile radius. The subject property is located on Commerce Street and intersects with Saw Mill River Road. Commerce Street Has Average Daily Traffic Counts of 20,900 Vehicles, while Saw Mill River Road brings an additional 17,620 vehicles into the immediate area daily.

Only 35 miles from New York City, living in Yorktown Heights offers a pleasant mix of commercial, residential, and recreational opportunities. The town is made up of five business hamlets: Mohegan Lake, Shrub Oak, Jefferson Valley, Crompond, and Yorktown Heights, and twelve distinct residential neighborhoods each with their own unique character and identity. Yorktown is also comprised of many parks and open spaces where residents enjoy activities from swimming and playing sports to hiking nature trails and picnicking with family and friends. With excellent schools, active community organizations, and dedicated civic leaders, Yorktown is a vibrant community. Yorktown Heights offers easy access to a number of historic sites and museums, including the Hammond Museum & Japanese Stroll Garden, the West Point Museum, the John Jay Homestead Historic Site and the Van Cortlandt Manor. The 305-acre Seth Low Pierrepont State Park Reserve offers hiking, fishing and boating opportunities. The Maritime Aquarium, Bartlett the Arboretum and Splashdown theme park are some of the popular attractions in the area. The community also hosts the Yorktown Grange Fair every September. Yorktown Heights Air transportation is available from Westchester County Airport.

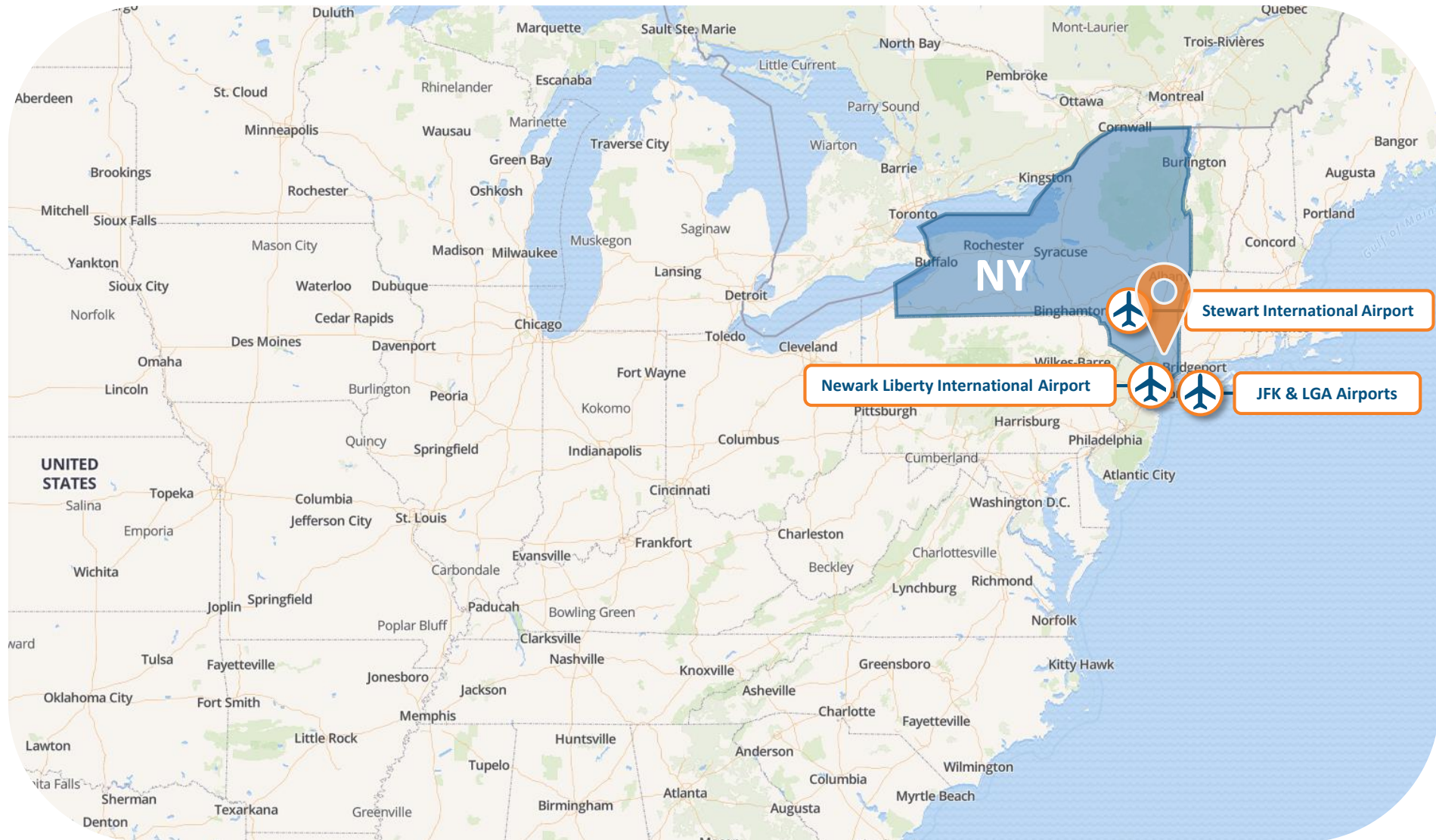




Local Map

Property Address: 1932 Commerce Street, Yorktown Heights, New York

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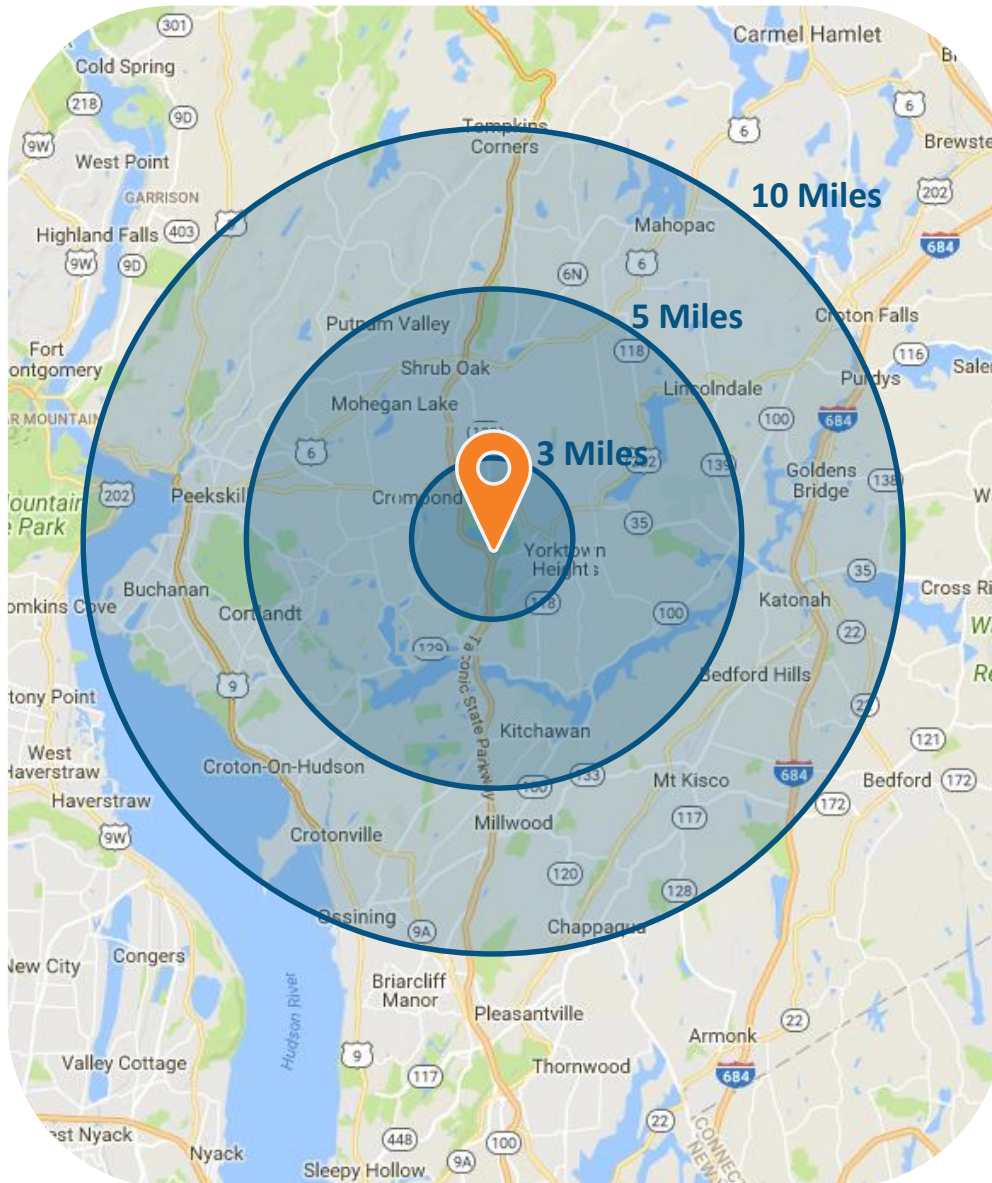




Demographics

Property Address: 1932 Commerce Street, Yorktown Heights, New York

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Population Trends:

	3 Miles	5 Miles	10 Miles
2022 Projection	23,792	62,455	275,232
2017 Estimate	23,201	60,972	270,385
2010 Census	22,283	58,772	265,800
Growth 2017-2022	2.55%	2.43%	1.79%
Growth 2010-2017	4.12%	3.74%	1.72%
2017 Population Hispanic Origin	2,013	6,296	47,919

2017 Population by Race:

	3 Miles	5 Miles	10 Miles
White	20,903	54,479	229,713
Black	599	2,264	20,715
Am. Indian & Alaskan	50	158	1,445
Asian	1,321	3,114	12,727
Hawaiian & Pacific Island	6	21	216
Other	322	935	5,570

U.S. Armed Forces:

	3 Miles	5 Miles	10 Miles
	0	0	11

Households:

	3 Miles	5 Miles	10 Miles
2022 Projection	8,069	21,719	97,033
2017 Estimate	7,860	21,196	95,297
2010 Census	7,513	20,401	93,602
Growth 2017 - 2022	2.66%	2.47%	1.82%
Growth 2010 - 2017	4.62%	3.90%	1.81%
Owner Occupied	6,853	18,182	73,820
Renter Occupied	1,007	3,013	21,476

2017 Avg Household Income

	3 Miles	5 Miles	10 Miles
	\$148,286	\$144,398	\$134,639

2017 Med Household Income

	3 Miles	5 Miles	10 Miles
	\$122,734	\$118,852	\$107,363

2017 Households by Household Inc:

	3 Miles	5 Miles	10 Miles
<\$25,000	516	1,761	10,516
\$25,000 - \$50,000	806	2,596	12,474
\$50,000 - \$75,000	684	2,084	11,439
\$75,000 - \$100,000	1,016	2,374	10,289
\$100,000 - \$125,000	999	2,365	9,952
\$125,000 - \$150,000	698	1,908	8,119

Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING



STARBUCKS

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Brokers Of Record

J. D. Parker

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